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Part III

Department of Commerce

Economic Development Administration

Economic Adjustment Assistance Programs; Grant Availability; Notice

DEPARTMENT OF COMMERCE

Economic Development Administration

[Docket No. 920250-2050]

Economic Adjustment Assistance; Availability of Funds

AGENCY: Economic Development Administration (EDA), DOC.

ACTION: Supplementary notice.

In the matter of Economic Adjustment Assistance as Described in Public Law 101-510, Section 4103(b) of Division D-Economic Adjustment, Diversification, Conversion, and Stabilization Act for Fiscal Year 1991; Public Law 102-172, Section 8134, November 26, 1991;

SUMMARY: The Economic Development Administration (EDA) announces the policies and application procedures for funds available beginning in FY 1992 to support economic adjustment assistance programs and projects designed to assist substantially and seriously affected communities to facilitate their orderly transition from economic reliance on Department of Defense (DOD) spending to economic reliance on other sources of business, employment and revenue.

FOR FURTHER INFORMATION CONTACT: The appropriate EDA Regional Office or the Director, Economic Adjustment Division, Economic Development Administration, room 7327, U.S. Department of Commerce, Washington, DC 20230; telephone (202) 377-2659.

SUPPLEMENTARY INFORMATION:

Funding Availability

Funds in the amount of $50.0 million are available for this program and shall remain available until obligated and expended.

Funding Instrument

Funds will be awarded through grants under the Sudden and Severe Economic Dislocation (SSED) program under title IX of the Public Works and Economic Development Act of 1965, as amended (Public Law 89-136). Application procedures, competitive selection criteria and post approval project implementation information for the SSED program are applicable to the award of supplemental defense adjustment assistance and are described in part IV, the **Federal Register** of February 4, 1992 (57 FR 4294), that announces EDA's FY 1992 Notice of Availability of Funds, or such subsequent annual Notices of the Availability of Funds.

Eligible Applicants

Eligible applicants include a redevelopment area or economic development district established under title IV of the Public Works and Economic Development Act, 42 U.S.C. 3161; an Indian tribe; a city or other political subdivision of a state, or a consortium of such political subdivisions; a Community Development Corporation defined in the Community Economic Development Act, 42 U.S.C. 9801; a nonprofit organization determined by EDA to be the representative of a redevelopment area; the Commonwealth of Northern Mariana Islands, the Federated States of Micronesia, Guam, Puerto Rico, the Republic of the Marshall Islands, and the Virgin Islands.

All applications for the defense adjustment funds described in this supplemental notice must respond to a defense-related economic dislocation satisfying the criteria of A or B as follows:

A. DOD Criteria

In the case of a publicly announced planned reduction in DOD spending, the cancellation or termination of a DOD contract, or the failure to proceed with a previously approved major defense acquisition program, assistance may be made only if the reduction cancellation, termination, or failure will have a direct and significant adverse impact on a community that will result in the loss of:

1. 2,500 or more employee positions, in the case of a Metropolitan Statistical Area (MSA) or similar area (as defined by the Director of the Office of Management and Budget);

2. 1,000 or more employee positions, in the case of a labor market area outside of an MSA; or

3. one percent of the total number or civilian jobs in that area.

B. EDA Sudden and Severe Economic Dislocation Criteria

The dislocation must satisfy one of the following criteria provided that in exceptional circumstances, the criteria may be partially waived by the Assistant Secretary for Economic Development:

1. For areas not in MSAs: (a) If the unemployment rate of the Labor Market Area exceeds the national average, the dislocation must amount to the lesser of two (2.0) percent of the employed population, or 500 direct jobs.

(b) If the unemployment rate of the Labor Market Area is equal to or less than the national average, the dislocation must amount to the lesser of four (4.0) percent of the employed population, or 1,000 direct jobs.

2. For areas within MSAs: (a) If the unemployment rate of the MSA exceeds the national average, the dislocation must amount to the lesser of one-half (0.5) percent of the employed population, or 4,000 direct jobs.

(b) If the unemployment rate of the MSA is equal to or less than the national average, the dislocation must amount to the lesser of one (1.0) percent of the employed population or 8,000 direct jobs.

In addition, fifty (50) percent of the job loss threshold must result from the action of a single employer, or eighty (80) percent of the job loss threshold must occur in a single standard industry classification (i.e. two digit SIC code). Actual dislocations must have occurred within one year and threatened dislocations must be anticipated to occur within two years of the date EDA is contacted.

Special Application Procedures

As described in EDA's **Federal Register** Notice of Availability of Funds, proposals will be evaluated by EDA based on conformance with statutory and regulatory requirements, the economic adjustment needs of the area, the merits of the proposed project in addressing those needs and the potential applicant's ability to manage the grant effectively. Defense related proposals deemed eligible for economic adjustment assistance authorized under Division D of Public Law 101-510, will be forwarded to the DOD Office of Economic Adjustment (OEA) DOD for concurrence to invite a formal application.

DOD OEA concurrence will also be requested by EDA immediately prior to making an award decision.

Proposal Submission Procedures

Proposals for economic adjustment assistance authorized under section 4103 (a) of Division D of Public Law 101-510, will be submitted to EDA. Interested parties should contact the Economic Development Representative for the area or the appropriate EDA regional office (see section XI, of part IV, of the February 4, 1992, **Federal Register** Notice, 57 FR 4294) for a proposal package. Project proposals, submitted by eligible entities, will be evaluated by EDA staff on the basis of:

A. Conformance with the evaluation criteria mentioned above (57 FR 4294) and statutory, regulatory and policy requirements; and

B. The availability of funds.

Formal Application Procedures

Upon obtaining OEA's concurrence, EDA will invite the eligible applicant to submit a formal grant application for economic adjustment assistance. The formal application will include an ED-540, as approved by the Office of Management and Budget Control No. 0610-0058.

Dated: March 4, 1992.

L. Joyce Hampers,

Assistant Secretary for Economic Development.

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